Health and Welfare Canada   Santé et Bien-être social Canada

SOCIAL SECURITY AGREEMENT

SUMMARY

Canada and Ireland

INCOME
SECURITY PROGRAMS

Canada

Foreword

The Agreement on Social Security between Canada and Ireland was signed on November 29, 1990, and came into force on January 1, 1992.

This summary describes in general terms how the Agreement may help individuals qualify for Canadian or Irish benefits. It is intended for persons residing in Canada.

It should be noted that, in addition to the entitlement conditions for benefits outlined in this summary, other conditions may be stipulated in the social security laws of either country. Further information about the conditions for entitlement to Canadian benefits and how they affect a particular case may be obtained from any Client Service Centre of Income Security Programs Branch. The telephone number and address of the nearest Centre can be found in the federal government listing of the telephone directory under "Health and Welfare Canada".

Only the Irish Department of Social Welfare can provide specific information on the entitlement conditions for Irish benefits and how they affect a particular case. To avoid delays or loss of benefits, persons who think they may be eligible for one of the Irish benefits described in this summary should submit an application. Information on how to apply is given on the last page of this summary.

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Introduction

The Agreement on Social Security between Canada and Ireland coordinates the Canadian and Irish programs which protect individuals in the event of old age, retirement, disability or death. It has three basic objectives:

(1) to ease or eliminate restrictions on the payment of social security benefits abroad;

(2) to eliminate situations in which a worker may have to contribute to the social security programs of both countries for the same work;

(3) to assist migrants in qualifying for benefits based on the periods they have lived or worked in each country.

The Canadian benefits included in the Agreement are those paid under the Old Age Security program and the Canada Pension Plan. These benefits are described on pages 1 to 7.

The Irish benefits included in the Agreement are the retirement, old age, invalidity and survivors' contributory benefits payable under the Irish Social Insurance System. These benefits are described on pages 8 to 12.

Canadian Old Age Security Benefits

Canada's *Old Age Security Act* provides for three benefits: the basic pension, the Guaranteed Income Supplement and the Spouse's Allowance.

The Old Age Security Pension

The basic Old Age Security pension is a monthly benefit paid to persons who have reached age 65 and who satisfy the residence requirements. For receipt of the pension in

Canada, this requirement is a minimum of 10 years of residence in Canada after reaching age 18. For indefinite receipt of the pension abroad (including the case of a person applying for a pension while residing abroad), the requirement is a minimum of 20 years of residence in Canada after reaching age 18. A person who is receiving a pension in Canada but who has not completed 20 years of residence may, on leaving Canada, receive the pension only for the month of departure and for the six following months.

Through the Agreement, an individual who has at least one year of residence in Canada after reaching age 18, but not residence of sufficient length to be entitled to an Old Age Security pension, may use periods of residence in Ireland after reaching age 18 or periods of contributions under the Irish social insurance system to satisfy the entitlement conditions for a pension. For example, a person who has resided in Canada for nine years after reaching age 18 may qualify for a pension payable in Canada if he or she has resided in Ireland for at least one year after reaching age 18, or has contributed to the Irish social insurance system for a minimum of 52 weeks.

As well, through the Agreement, a person who has at least one year of residence in Canada after reaching age 18, but not the 20 years required for receipt of the Old Age Security pension abroad on an indefinite basis, may use periods of residence in Ireland after reaching age 18 or periods of contributions under the Irish social insurance system to satisfy the 20-year condition.

The Guaranteed Income Supplement

The Guaranteed Income Supplement is a monthly benefit payable in addition to an Old Age Security pension to a beneficiary

who has little or no income other than the basic Old Age Security pension. The supplement is essentially payable only to residents of Canada. However, if a recipient leaves Canada, it may be paid abroad for the month of departure and for the six following months.

The Spouse's Allowance

The Spouse's Allowance is a monthly benefit payable to the 60- to 64-year-old spouse of a beneficiary of the Guaranteed Income Supplement and to a widowed person in the same age group who has little or no personal income. At age 65, the Spouse's Allowance is replaced by the Old Age Security pension. At least 10 years of residence in Canada after reaching age 18 are required to qualify for a Spouse's Allowance. Like the Guaranteed Income Supplement, the Spouse's Allowance is essentially payable only in Canada. However, if a recipient leaves Canada, it may be paid abroad for the month of departure and for the six following months.

Through the Agreement, a person who has at least one year of residence in Canada after reaching age 18, but not the 10 years required to be entitled to a Spouse's Allowance, may use periods of residence in Ireland after reaching age 18 or periods of contributions under the Irish social insurance system to satisfy the 10-year condition.

Calculating Old Age Security Benefits under the Agreement

The amount of the Old Age Security pension payable under the Agreement is equal to 1/40th of a full pension for each complete year of residence in Canada after reaching age 18. It is calculated in the same way as a partial pension under the Old Age Security Act if eligibility is established without recourse to an agreement.

The amount of the Spouse's Allowance is determined by the couple's income or, in the case of a widowed person, by the personal income of the beneficiary.

Payment of Old Age Security Benefits

Old Age Security benefits are paid by Health and Welfare Canada in Canadian funds directly to the beneficiary, whether he or she lives in Canada or abroad.

Canada Pension Plan Benefits

The Canada Pension Plan provides benefits in the event of retirement, disability or death of a contributor. The Plan, which began operation in 1966, covers virtually all persons engaged in paid employment or self-employment in Canada, except in Quebec where a similar plan, the Quebec Pension Plan, is in effect.

Canada Pension Plan benefits may be paid anywhere in the world, without any restriction whatsoever.

The Canada Pension Plan Retirement Pension

A retirement pension is a monthly benefit payable to a contributor who has reached retirement age and who has made contributions to the Plan in at least one year.

The normal retirement age is 65. A person who has reached this age may receive a retirement pension even if he or she is still working. A retirement pension may also be paid to a contributor aged between 60 and 64 who has completely ceased paid employment or whose employment earnings, at an annual rate, do not exceed the amount of the

maximum annual retirement pension payable to a person whose pension begins at age 65.

If an individual starts to receive a retirement pension before age 65, the pension is reduced by 0.5 percent for each month between the month the pension begins and the month of the person's 65th birthday. The reduction is permanent. Conversely, if the pension starts after the individual reaches age 65, it is increased in a comparable manner.

Canada Pension Plan Disability Benefits

A disability pension is a monthly benefit payable to a contributor who is disabled and who has made contributions to the Plan in at least five of the ten or in two of the three calendar years immediately preceding disablement.

A contributor is considered to be disabled if he or she has a physical or mental disability that is both severe and prolonged. "Severe" means that the individual cannot regularly pursue any substantially gainful occupation. "Prolonged" means that the disability is likely to be long continued and of indefinite duration, or is likely to result in death.

A monthly child benefit is also payable for each dependent child of a disabled contributor. The child must be under age 18, or age 18 or older but under age 25 and in full-time attendance at school or university.

Through the Agreement, a person who has some periods of contributions to the Canada Pension Plan, but who has not made sufficient contributions in the years immediately preceding disablement, may use periods during which contributions have been paid or credited under the Irish social insurance system to satisfy the conditions for entitlement to a Canada Pension Plan disability benefit.

Canada Pension Plan Survivors' Benefits

A surviving spouse's pension is a monthly benefit payable to the surviving spouse of a deceased contributor who had made contributions to the Plan for a minimum period (between three and ten calendar years, depending on the age of the contributor at the time of death). Surviving spouse's pensions are payable on the same conditions to widows and widowers. They are payable even if the surviving spouse remarries.

The "surviving spouse of the contributor" is the person of the opposite sex living with the contributor in a conjugal relationship (whether or not there was a marriage) at the time of death or, if there is no such person, the legal spouse (even if that legal spouse was not living with the contributor at the time of death). If the surviving spouse and deceased contributor were not legally married, they must have lived together for at least one year.

To qualify for a benefit, a surviving spouse who is under age 35 at the time of the contributor's death must be caring for a child of the contributor or he or she must be disabled as defined by the Canada Pension Plan.

A monthly orphan's benefit is also payable for each dependent child of the deceased contributor. The child must be under age 18, or age 18 or older but under age 25 and in full-time attendance at school or university.

A death benefit is payable to the estate of a deceased contributor who had made contributions to the Plan for a minimum period (between three and ten calendar years, depending on his or her age at the time of death).

Through the Agreement, when a spouse or child is not entitled to a survivor's benefit because the deceased had not completed sufficient periods of contributions to the

Canada Pension Plan, periods during which the deceased had paid or been credited with contributions under the Irish social insurance system may be used to satisfy the conditions for entitlement to a Canada Pension Plan survivor's benefit.

Calculating Canada Pension Plan Benefits under the Agreement

The retirement pension, the surviving spouse's pension payable at age 65 and the death benefit are based on the earnings of the contributor while under the Plan and on the number of years of contributions to the Plan. The disability pension and the surviving spouse's pension payable before age 65 are composed of two parts: a benefit related to the earnings of the contributor and a flat-rate benefit. Benefits paid on behalf of a contributor's child are all flat-rate.

If entitlement to a Canada Pension Plan benefit is established under the Agreement, the flat-rate component is calculated in proportion to the periods during which contributions were made to the Plan relative to the minimum period of contributions required for entitlement to the benefit. The earnings-related component is calculated in the same way as is a benefit which is paid without recourse to the Agreement.

Payment of Canada Pension Plan Benefits

Canada Pension Plan benefits are paid by Health and Welfare Canada in Canadian funds directly to the beneficiary, whether he or she lives in Canada or abroad.

Irish Benefits Included in the Agreement

Retirement and Old Age Contributory Pensions

A retirement pension is a weekly benefit payable to a contributor who has reached age 65 and who has retired from work. In addition, the contributor must satisfy the following entitlement conditions:

- have been insured prior to reaching age 55;
- have a minimum of 156 weeks of paid contributions at any time since starting work,
- have a minimum yearly average of 24 weeks of paid or credited contributions since January 1953, or from the time he or she started work, if later.

At age 66, a retirement pension is converted to an old age pension, if it is to the contributor's advantage.

The old age pension is also a weekly benefit and is payable at age 66. A contributor must satisfy the following entitlement conditions in order to be eligible for a pension:

- have been insured prior to reaching age 56 or 57, depending on his or her date of birth;
- have a minimum of 156 weeks of paid contributions at any time since starting work;
- have a minimum yearly average of 20 weeks of paid or credited contributions since January 1953, or from the time he or she started work, if later.

A contributor does not have to retire from work in order to be eligible for an old age pension.

Through the Agreement, a person who has some weeks of contributions under the Irish social insurance system, but not in a

sufficient amount for entitlement to a retirement or an old age contributory pension, may use periods of residence in Canada after reaching age 18 or periods of contributions under the Canada Pension Plan to satisfy the conditions for entitlement to a pension.

Both pensions consist of a personal rate for the contributor and additional amounts for adult and child dependents.

Invalidity Pension

An invalidity pension is a weekly benefit payable to a person under age 66 who becomes permanently incapable of work. The benefit is payable only if the person has been incapable of work for a minimum of 12 months.

To be entitled to an invalidity pension, a contributor must have a minimum of 260 weeks of paid contributions, including a minimum of 48 weeks paid or credited in the year before disablement. Once entitlement has been established, the invalidity pension consists of a personal rate for the invalid contributor and additional amounts for adult and child dependents.

Through the Agreement, a person who has some weeks of contributions under the Irish social insurance system, but not in a sufficient amount for entitlement to an invalidity pension, may use periods of residence in Canada after reaching age 18 or periods of contributions under the Canada Pension Plan to satisfy the conditions for entitlement to a pension.

Survivors' Benefits

Survivors' benefits include a widow's pension, an orphan's allowance and a death grant.

A widow's pension is a weekly benefit payable to a widow, and can be based on either her contributions or those of her deceased husband. Whichever record is used

must have enough earnings-related contributions to meet the following entitlement conditions:

- a minimum of 156 weeks of paid or credited contributions and either
- a minimum yearly average of 39 weeks of paid or credited contributions over the three or five contribution years before the late husband died or reached pensionable age (66 years), or
- a minimum yearly average of 24 weeks of paid or credited contributions since starting work.

Once entitlement has been established, the amount of benefit payable is calculated on the basis of the contribution record used. Payment of the widow's pension will cease if she remarries or cohabits with a man as husband and wife.

An orphan's benefit is a weekly benefit payable in respect of a child who is either orphaned or abandoned by a surviving parent. The child must be under age 18, or under age 21 if in full-time education by day, at a recognized school, college or university. The only contribution condition is that there must be a minimum of 26 weeks of contributions paid at any time by a parent or step-parent. Once entitlement to a benefit has been established, the amount payable consists only of a flat-rate portion.

A death grant, which is paid in the form of a lump sum, is payable on the death of a contributor, a contributor's husband or wife, a contributor's widow or widower, or a contributor's child under age 18, and can be based on either the contribution record of the deceased or that of the surviving spouse. In the case of a child's death, a death grant may be paid on the contribution record of either parent.

The record used must have a minimum of 26 weeks of paid contributions since starting work or since 1 October 1970, whichever is later, and either:

- a minimum of 26 weeks of paid or credited contributions in the last contribution year before the death occurred or pension age was reached (age 66), or
- a minimum yearly average of 26 weeks of paid or credited contributions from 1 October 1970 (or since starting work if later) and the end of the contribution year before the death occurred or pension age was reached (age 66).

Through the Agreement, a deceased contributor or the surviving spouse who, at the time of death, had some weeks of paid or credited contributions under the Irish social insurance system, but not in a sufficient amount to create entitlement to a widow's contributory pension, orphan's contributory allowance or death grant, may have periods of residence in Canada after reaching age 18 or contributions under the Canada Pension Plan taken into account to satisfy the conditions for entitlement to a survivor's benefit.

Calculating Irish Benefits under the Agreement

If entitlement to an Irish retirement, old age, invalidity or widow's contributory pension is established by using the provisions of the Agreement, the benefit payable will be determined on the basis of the actual insurable earnings under the Irish social insurance system and of the ratio of the periods of contributions actually completed under the Irish system to the sum of the periods completed in both countries. For this purpose, periods in Canada include periods of contributions to the Canada Pension Plan and periods of residence in Canada after reaching age 18.

If entitlement to an Irish death grant or orphan's contributory allowance is established by using the provisions of the Agreement, the full flat-rate amount will be payable.

Payment of Irish Benefits

Irish benefits will be paid by the Irish Department of Social Welfare directly to the beneficiary, whether he or she lives in Ireland or abroad.

Determining the Applicable Legislation

Without an agreement, a person might be required to contribute both to the Canada Pension Plan and to the social insurance system of Ireland for the same work. The Agreement on Social Security between Canada and Ireland eliminates such situations of "dual coverage".

General Rule

Under the Agreement, an employee is normally subject only to the legislation of the country in which he or she works and is, therefore, exempt from contributions under the legislation of the other country in respect of the same work.

Temporary Postings in Ireland

An exception to the general rule applies in the case of a "detached worker" (e.g. an employee who normally works in Canada and is covered under the Canada Pension Plan in respect of that work, and who is sent by his or her employer to work in Ireland on a temporary basis). Under the Agreement, such a worker is able to continue his or her coverage under the Canada Pension Plan for a period of 24 months and, while this coverage remains in effect, is exempt from social security contributions to the Irish system in respect of the same work.

Government Employment

Another exception to the general rule applies to persons in government employment for one of the countries performing their duties in the other country. They are normally subject to the social security laws of the latter country only if they are citizens or permanent residents of that country.

Residence under the Old Age Security Act

In addition to the coverage provisions just described, the Agreement between Canada and Ireland contains another provision which ensures that a person who is covered under the Canada or Quebec Pension Plan while residing in Ireland is also covered by the *Old Age Security Act* which is usually based only on residence in Canada. Thus, during that period, complete coverage is afforded under Canadian legislation. Conversely, a person who is residing and working in Canada and is subject to the social security legislation of Ireland does not have those periods considered as periods of residence for purposes of the *Old Age Security Act.*

More Information Concerning Contributions

Revenue Canada, Taxation administers the provisions of the Canada Pension Plan relating to the making of contributions. Questions regarding the obligation of an employee, an employer or a self-employed person to contribute to the Canada Pension Plan as a result of the Canada/Ireland Agreement, as well as questions concerning

continued coverage under the Plan while temporarily posted to work in Ireland, should be addressed to:

Source Deductions Division
Revenue Canada, Taxation
OTTAWA, Ontario
KlA 0L8

Applying for Benefits under the Agreement

Additional information about the Agreement and assistance in applying for any of the Canadian or Irish benefits described in this summary are available from any Client Service Centre of Income Security Programs Branch. The telephone number and address of the nearest Centre can be found in the federal government listing of the telephone directory under "Health and Welfare Canada". Alternatively, enquiries may be addressed to:

Director
International Operations
Income Security Programs Branch
Health and Welfare Canada
OTTAWA, Ontario
K1A 0L1

Further detailed enquiries regarding the Irish benefits described in this summary can be obtained from:

Department of Social Welfare
International Section
Aras Mhic Dhiarmada
Store Street
Dublin 1
Republic of Ireland

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